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we can get along very nicely without the owners of property. If they will not loan us their property, we can take it by taxation. We can conscript soldiers and we can conscript wealth; but the spirit which makes American labor the most efficient on earth cannot be conscripted. Nor is such conscription necessary.

Working-men, including farmers, make up this nation. The rest of us cling on the edges, a paltry handful. By dividing the workers against themselves, we skillfully appropriate the balance of power.

Labor's sons make up the bulk of our army in France. Labor weeps when our soldiers suffer; it thrills when they go over the top. Instead of asking labor to help us win our war, we ought to thank God that labor lets us knit sweaters and loan money to help it win its war. Bear in mind that this is labor's war, not only to make the world a decent place to live in, but to make the working-man's home a decent place to live in.

Cut out profiteering. Stop patronizing. Put a working-man beside every capitalist and college professor on every board. Consult labor frankly and humbly. Follow labor's advice. If your services are of any value, proffer them. Give labor a fair chance, step out of the way and watch the smoke. And save your stimulant for yourself.

THE EFFICIENCY OF LABOR

BY HON. WILLIAM B. WILSON,

Secretary of Labor, Washington, D. C.

It is my purpose to discuss the subject of the efficiency of labor. But before proceeding to a statement of the policies that are being pursued to attain the end desired, it may be well to examine briefly the background leading up to our entrance into the great world war, in order that we may better understand the policies that should be pursued in dealing with the great problem of labor efficiency.

Our people are a peace-loving people. If they had not been they would not have submitted to the many indignities and wrongs heaped upon them for the length of time they did. We had dreamed

of a continuation of peace. We had been inspired by the words of the poet and longed for the time to come

When the war drums throb no longer
And the battle flags are furled
In the parliament of man—
The Federation of the World.

The wage workers of the country were no exception to the rule. In every great convention of labor, resolutions were adopted declaring for the perpetuation of international peace. But our dreams were shattered over night, and against our will and in spite of ourselves we were forced into the great European conflict.

Subtly, the sentiment has been spread abroad that this is a capitalists' war, brought about to enable the capitalistic class to secure greater profits and to still further exploit the workers, and further, that we have engaged in it solely out of sympathy for the Belgians, the Armenians or the democracies of Western Europe. If the purpose had been to advance the interests of capitalists and permit greater profiteering, we never would have engaged in the conflict. Prior to our entrance into the war our manufacturers and business men were permitted to obtain any price for their goods which the necessities of the belligerents in Europe compelled them to pay. There was not the remotest likelihood, as long as we remained neutral, that we would undertake to regulate the profits obtained from belligerents, and the capitalist could have gone on profiteering to his heart's content without interference from our government. But when we entered the war that condition changed.

PROFIT AND PRICE REGULATION

One of the first pieces of additional authority placed in the hands of the President, after the declaration of war, was the power to regulate prices and profits in certain industries, and in addition the war necessities have required the imposition of an excess-profits tax which takes over for the benefit of the government a large percentage of any increase in profits that may be secured, to which was added a very substantial increase in the income tax.

In all the legislation that has been introduced and passed for the purpose of regulating profits, there has never been a solitary line to specify a maximum wage for labor. These facts in themselves, and there are many others of similar kind that might be

added to them, demonstrate clearly that this is not a capitalists' war, but a people's war, entered into for the preservation of our institutions.

When the Continental Congress adopted the Declaration of Independence a new principle of government was proclaimed to the world. It said:

We hold these truths to be self-evident; that all men are created equal, that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness; that to secure these ends governments are instituted amongst men, deriving their just powers from the consent of the governed.

Out of that declaration has grown the most perfect democracy that has ever existed on the face of the globe. There has never been any other democracy where the great masses of the people have had a voice in their own government whenever they chose to exercise it, such as exists in the United States of America. If we have not made progress as rapidly as some people think we ought to have made it, the reason lies in the fact that they have not been able to convince a majority of their fellow-citizens that we should move faster. If we have made progress more rapidly than some people think we ought to have made it, the reason lies in the fact that they have not been able to convince a majority of their fellow-citizens that we are moving too rapidly.

From the time that the first strong man or the first cunning man used his strength or his skill to dominate his fellow-men there has been a continuous conflict for the right of majority rule. No portion of the people have had any greater interest; no portion of the people have taken any stronger stand; no portion of the people have made any nobler fight for the establishment of systems of government in which the people would govern themselves, than have the wage-workers of our country and the world. Consequently, the masses of the people, including the wage-workers, have more at stake in the preservation of our institutions than any other portion of our people.

PROVOCATION BY GERMANY

For nearly three years the American government and the American people struggled and prayed that they might be kept clear of this holocaust—this terrible war. As a member of the

Administration I know the sincerity of purpose and strong desire to keep out of the conflict. When in the early days of the war in Europe Germany undertook to sink our vessels without warning and destroy the lives of our people in places where they had a right to be, we protested with all the vigor we possessed. Immediately some of our own people raised objections against permitting our citizens to travel on the seas. They said these people who are traveling as passengers should not be permitted to endanger the peace of the United States. They had overlooked the fact that there could not be any passengers on any vessel unless there were seamen to operate them. These seamen were following their usual vocations in detached floating portions of the United States, and were just as much under the jurisdiction and protection of the United States government as if they were on the mainland, except when the vessel was within the three-mile limit of a foreign coast. We were, therefore, placed in the position of abandoning our overseas trade altogether or compelled to protect our seamen in their right to earn their livelihood in the usual way.

LESSENING OF STRIKES

The first step, then, towards securing the highest standard of labor efficiency was to bring home to our wage-workers the menace that confronted them through the ambitions of the military government of Germany. This, therefore, is the message that has been carried by the Department of Labor from one end of the country to the other. Every mediator, every employment official, every field officer of the department, in addition to a corps of trained speakers, has been carrying the message to the workers of America that this is their war, for the preservation of their institutions, to enable them to continue working out their own destiny in their own way, unimpeded by the mailed fist of the German Kaiser or any other autocrat on earth. Every great labor leader in the country, from Samuel Gompers, President of the American Federation of Labor, on through the list, has been carrying forth the same kind of a message. The result has been gratifying indeed. We have fewer labor strikes at the present time than at any other period within my recollection, notwithstanding the fact that it is the period of the year when strikes are usually most numerous. There is not a solitary strike in the coal industry, in the oil industry, the lumber-

ing industry, the shipbuilding industry, the packing house industry, in the steel production, transportation, telegraph or telephone systems of the country, and only a few strikes of very minor importance in the textile industry, metal trades, munitions factories, and all the other productive enterprises.

In speaking of strikes it is a very common practice to assume that the workers are always responsible for the stoppage of work, and yet strikes are simply the result of disagreement. The employer will not permit the employees to labor upon the terms they propose, and the workers will not work upon the terms the employer proposes. A strike, then, is the definite result of a disagreement the responsibility for which rests with that party whose position and claims are wrong.

LABOR'S PART IN THE WAR

Since we have engaged in the war it becomes incumbent upon us to win the war, and while we may make mistakes, while we may from time to time meet with disaster, there can be but one ultimate outcome and that is victory. Under former methods of waging warfare, an army, even though it might be an army of invasion, very frequently lived upon the country through which it was campaigning, supplied only with arms and munitions as the product of the labor of a comparatively small number of people at home. The warfare of today is entirely different. The man in the trenches is all-important. He is making great sacrifices and taking great risks. We are proud of him. But the man in the shop has also become an important factor in carrying on modern warfare, and our industrial problems have become more intense by virtue of the fact that the man in the shop and the man in the field are both vitally essential to the successful conduct of our campaign. The need for military supplies has made the mobility of labor an important factor in military operations. The impulse of every department, board and industrial establishment has been to secure the labor required to increase their productive capacity without regard to its effect upon the industrial situation or the priority claims of their neighbors. That condition is rapidly being remedied through the centralization of the responsibility for the mobilization of labor in the Employment Service of the Federal Department of Labor.

Even those whose prejudices have heretofore stood in the

way begin to realize that the problem can only be efficiently handled through a common policy emanating from a central directing head. The great increase in the need for skilled workers in shipbuilding plants, munition factories and similar institutions has reduced temporarily the standard of efficiency. It cannot be expected that the partly skilled or unskilled man can perform skilled labor with the same accuracy and rapidity that it can be performed by skilled men. Whatever decrease in efficiency has occurred in these industries is principally due to the fact that the dilution of skilled labor has been extremely great. To meet that problem the department over which I have the honor to preside is seeking authority from Congress for the organization of a division or bureau which will handle the entire subject matter of labor dilution and training, securing as far as possible the coöperation of the manufacturers in their shops, and the trade unions in such modification of their apprenticeship rules as may be necessary to meet the conditions confronting us.

Another important problem growing out of the concentration of large numbers of additional workmen in shipbuilding and munition-manufacturing communities, is the insufficient supply of proper housing for the workmen. Ordinary investment capital cannot be induced to build houses that may not be needed when the war is over, and the highest standards of efficiency cannot be obtained where proper housing facilities do not exist.

LABOR TURNOVER

The turnover of labor in our country is tremendous. In normal times it is nothing unusual to find establishments where the turnover is 200 per cent or 300 per cent per annum. That naturally reduces efficiency. There is not only the loss of time incident to the change of men, but no man can be thoroughly efficient on his job until he has become familiar with his machine, his shop, the characteristics of his shopmates and foreman, and the hundred and one other details that go to make up the sum total of his shop surroundings. The turnover is the individualistic strike. It represents the unorganized workman dissatisfied with conditions, or the organized workman unable or unwilling to interest his fellows in a collective protest. It produces in the aggregate very much more loss of time than is involved in all of the strikes of trade unions or

spontaneous collective protest. The remedy lies in correcting the evil that results in such tremendous turnover. The lack of housing facilities has increased the movement of workmen from job to job so that there are some instances on record where the turnover has been as high as 100 per cent per week. No efficiency can be obtained under such circumstances. Fortunately, Congress now has the matter in hand and the likelihood is that within a short time proper housing facilities will be provided for our workmen in the war industries.

Many well-meaning individuals are continually advocating an increase in the number of working hours per day as a means of securing greater production. In some lines of activity that might be true, but in the usual processes of labor where the physical or mental strain is heavy and continuous nothing is gained by an abnormally long working day. Men must set their pace in accordance with the length of time their activities are to continue. A sprinter may run a hundred yards in ten seconds, but he would not think of such a pace in starting on a ten-mile hike.

Last summer a suggestion was made that the anthracite coal miners and operators agree to a restoration of the nine-hour workday during the period of the war, with the hope that thereby the production of coal might be increased. I investigated the subject matter at that time at the request of the Council of National Defense and found that the anthracite coal miners produced 2.9 per cent more coal per day per man in an eight-hour workday in 1916 than they had produced in a nine-hour workday in 1915. In normal times there is of course more to be taken into consideration in determining the length of the workday than simply the amount of work that can be endured and maintained from day to day by the workmen. But even in these times when the all-important question is the maximum of efficiency it is folly to increase the number of working hours when no greater production can be secured thereby, and the only effect is to create dissatisfaction in the minds of those who toil.

To summarize, then, the highest efficiency can only be obtained by the proper treatment of the workmen, the proper planning and management of the work to be done, the intelligent mobilizing of the workmen, efficient means of training the partly skilled and unskilled in the work they are to do, complete provisions for sanitation

and safety, comfortable homes, and a working day sufficiently short to enable the worker to return to his work on each succeeding day fairly refreshed for the task he has to perform. And more important than all of these is the spirit of coöperation of the man who believes he is being justly dealt with.

THE THIRD LIBERTY LOAN

May I not in conclusion say a word about the third liberty loan bond issue. Those who subscribe to it are making in reality a double investment. Billions of dollars are needed for the prosecution of the war, but only a comparatively small portion goes towards the payment of the soldier. When money is raised by taxation or by bond issue the great bulk of it goes back immediately into the channels of commerce for the purchase of supplies for the army. The business man or the workingman who purchases a liberty bond is receiving interest upon an investment that keeps him in continuous employment. But that is only the selfish side of the question. Behind it all is a sentiment, and men will do more for a sentiment than they will for all the material things on earth. Our boys in France are sacrificing their lives for a sentiment. Surely, then, we can sacrifice a few of our dollars to furnish the finance to conduct the war. The man whose income is meagre, and who at best can only purchase a small amount, may think that it is not worth while. I am reminded of the fable of the great drought that extended over the land. The crops were drying up and withering for want of rain, and a little drop up in the rain cloud sympathized with the farmers and their possible loss from the failure of their crops, and it said to one of its neighbors, "I would gladly go down to help the farmer out, but I am just one little drop, and my moisture would be of no value to him." One of the other rain drops said, "That is very true. Your going down alone would be of no value in helping out in moistening the soil for the good of the crops, but if we all go down, a multitude of little drops, we can help out." And they all agreed and they came down in a beautiful refreshing shower, and spread over the land. The crops were revived and were saved for the harvest. And so it is with the workers of our country. The amount that any one can contribute is but a drop in the aggregate that is necessary, but if all cast in their drops together the amount that would be contributed toward the liberty loan

would be valuable to our country in its hour of need. It gives courage and confidence to the fighting forces at the front and makes it forever impossible for the mailed fist of the Kaiser to impede the progress of our free institutions.

LABOR POLICIES THAT WILL WIN THE WAR

BY V. EVERIT MACY,

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Modern warfare has discredited all prophecies. Difficulties that were foreseen have been met, even when considered insurmountable, while others that were never considered as of military importance have been most difficult of solution. Among these is the mobilization of industry, which we all see now is as essential as the mobilization of the army, for without industrial organization at home, an effective army cannot be kept in the field. The foundation principles of modern industry are competition, and supply and demand. Modern warfare at once sets aside competition, for government needs immediately take precedence over those of the private consumer, while at the same time through restrictions on imports and exports the usual balance between supply and demand is destroyed.

The mobilization of an army is a simple task compared to the mobilization of industry. The principles of military science have been studied for generations and as the methods of warfare have changed, thousands of trained men have studied the varying problems and developed their plans to the smallest detail. Not so with industry. Two years ago no one in this country had given the matter a moment's thought. Now we find that to maintain a mobilized army we must mobilize an industrial army ten times as large. In the fighting army each individual is trained to his particular duty and knows just where he belongs, but in industry few are trained and each worker follows his own choice or chance occupation. War also disrupts normal industry by shutting off employment in certain trades and creating abnormal demands in others.

The most disturbing factor, however, is that of private interests. In peace times, the employer and employees are free to pro-